

SENATE BILL REPORT

SB 5677

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 19, 2007

Title: An act relating to adjustments to industrial insurance total disability compensation reductions.

Brief Description: Concerning adjustments to industrial insurance total disability compensation reductions.

Sponsors: Senators Murray, Kohl-Welles, Keiser, Prentice, Hatfield and Kline.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/06/07, 2/19/07 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Holmquist and Murray.

Staff: Jennifer Strus (786-7316)

Background: In 2005, the Legislature passed SHB 1732 which required the Department of Labor and Industries (L&I) to adjust workers' compensation benefits when one of two situations occurred: (1) the state workers' compensation benefits were paid at a reduced rate because the worker was receiving social security disability benefits; or (2) the Social Security Administration made a retroactive reduction in federal benefits because the worker was entitled to state workers' compensation benefits.

L&I's authority to make these adjustments only applied to requests submitted before July 1, 2007. In December 2006, L&I reported to the Legislature on benefit adjustments under the 2005 law. For the 19 claims in which L&I determined that additional payments were appropriate, the total amount paid was \$251,287.41.

Summary of Bill: L&I is granted permanent authority to adjust the workers' compensation benefits when: (1) the state workers' compensation benefits were paid at a reduced rate because the worker was receiving social security disability benefits; or (2) the Social Security Administration made a retroactive reduction in federal benefits because the worker was entitled to state workers' compensation benefits.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill will really help workers who receive both social security and workers' compensation payments and have a social security overpayment. It will allow L&I to continue to reopen claims and make the appropriate adjustments.

Persons Testifying: PRO: Bob Malooly, L&I; Laurel Smith, Washington State Trial Lawyers Association.